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CENTRAL INTELLIGENCE AGENCY  
**INFORMATION REPORT**

25X1A

COUNTRY Brazil

## **SUBJECT** Summary of Mining Activities

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1. "Several events in 1953, mainly those related to siderurgy, iron and manganese ores, uranium mineral, and the tin industry, were of the greatest interest to Brazil's economy. Thus the second blast furnace of Volta Redonda, the principal steel plant in the country, is almost ready to start operations. Its inauguration will take place in February or March 1954. With this second blast furnace the production of Volta Redonda will be doubled, reaching 700 thousand metric tons of steel annually.
  2. Including the other steel plants, located mostly in the states of Minas Gerais and São Paulo, the Brazilian production of steel will reach one million tons annually. A substantial increase of production was also verified in the coal mines of the Cia Siderurgica Nacional, which operates Volta Redonda.
  3. "In 1953 detailed plans were made for three new large steel industries. The first plans concern the installation of a plant in Vitoria, capital of the state of Espírito Santo. The Cia Ferro e Aço de Vitoria and a group of German capitalists (Klockner's Group) are particularly interested in this enterprise. According to experts this new plant will produce 50 thousand metric tons of steel in the first year and 400 thousand metric tons within four years after its installation. In January 1954, the Brazilian government authorized the Cia Ferro e Aço de Vitoria to import machinery and other materials to expand this company.
  4. "The second steel plant will be built in Piassaguerá, São Paulo State. The government of the state has already shown particular interest in the enterprise.
  5. "The last of the three plants will be built in Criciumá, Santa Catarina State. At present Criciumá is the most important coal mining center in Brazil. According to the last report written by coal experts the coal reserves of the Criciumá area are estimated to be 1,200,000,000 metric tons.
  6. "The exploitation and exportation of iron ore by the Cia Vale do Rio Doce has been increasing year by year. Several improvements were introduced

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-2-

by this company in its mines and roads in order to raise to three million metric tons the ore to be exported annually. At present the Cia Vale do Rio Doce exports about a total of 1,500,000 metric tons annually.

7. "The manganese ore deposits located in the Territory of Amapá, [In northern] Brazil, have been carefully studied by ICOMI (Industria e Comercio de Minérios SA). In accordance with the last data published there are in the region of Serra do Navio (one of the principal mineralized areas) about 13 million metric tons of manganese ore with a Mn content varying from 46 to 56%. Some of the deposits of this area have a thickness of 245 feet. Continuous layers of 165 feet thick are relatively common.
8. "Particular attention was given by the Brazilian government to the discovery, reserves and exploitation of uranium mineral deposits. The deposits of São João del Rei, Araxá, and Morro Velho, all located in the State of Minas Gerais, and those located in the northern part of the country were fully investigated. The Instituto de Pesquisas Tecnológicas, São Paulo University, São Paulo, has been treating the Brazilian uranium minerals in accordance with plans laid out by the National Council of Research (CNPq). According to the latest news the first Brazilian atomic pile will be built in the city of Poços de Caldas, State of Minas Gerais, where diligent studies done by Brazilian and US geologists have shown that the zirconium minerals and rocks of the region contain an appreciable content of uranium oxides. Admiral Alvaro Alberto da Mota e Silva, president of the CNPq, questioned about uranium and energy in Brazil said recently: 'We are confident in the success of our efforts which will give Brazil the physical basis for the future production of atomic energy for industrial purposes, ie, in the final analysis, to raise the living conditions of our people'.
9. "In March, 1953, the president of Brazil signed the document by which Brazilian and French enterprises will enlarge the plant of Cia Nacional de Alcalis to increase the production of sodium hydroxide and other sodium products. According to the document this company will receive from the Comptoir Internationale D'Achats et Ventes à l'étranger the equivalent of US\$12 million.
10. "The Brazilian government and private groups are very interested in solving the problem of producing metallic copper. It is probable that at least three different groups will be starting operations in 1954. Studies completed in 1953 by foreign and Brazilian geologists have shown that the principal copper ore deposit in Brazil is that of Camaquá, Rio Grande do Sul State, where there are large reserves of primary copper sulphides. Second is the deposit of Caraíba, Bahia State. Finally, and still very important, are the deposits of malachite in Itapeva, State of São Paulo. These last deposits were estimated to have 200 thousand metric tons of copper ore of the best quality.
11. "In 1952, the PRODUCO, Rio de Janeiro, started research in the Piauí River, Minas Gerais State, and later started mining the tin-bearing pegmatites in the same area. A plant was built in Barreiro to concentrate about 50 metric tons daily.
12. "In São João del Rei district two companies, Cia de Estanho São João del Rei, and Cia de Estanho Minas Brasil, exploit the same tin-bearing pegmatite body on both sides of the Ribeira das Velhas. Cassiterite of this area is found together with rare minerals, mainly columbite, tantalite and ajulmaite. According to the engineer, Frederico de Souza Martins, president of Associação Profissional da Industria Nacional de Estanho, the area will be able to produce 1,500 metric tons of cassiterite annually.
13. "The Fundação e Mineradora Brasil Ltda, owned by Jamyl and Murillo Mattar, has reserves estimated to be 40 thousand metric tons of cassiterite."

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-3-

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